



CONNECTICUT ASSOCIATION OF
REALTORS®
INC.

Statement on

**H.B. 5279: An Act Concerning The Real Estate Conveyance Tax
(Exemptions for Distressed Home Sellers)**

SUPPORT

Submitted to the Banks Committee
March 11, 2010

By Norm Krayem
Ledyard

Good afternoon. My name is Norm Krayem and I served as a member of the Governor's Task Force on Sub-Prime Mortgage Lending. I'm also speaking on behalf of the Connecticut Association of REALTORS®.

I add my support for House Bill 5279 to that already expressed by Linda Fercodini. This bill reverses the unrelenting trend to repeatedly increase the conveyance tax.

Last year, when the Legislature expanded the tax to foreclosure by sale, the attorney for our Association called it "one more strangling of the goose." Someone else likened the foreclosure tax to "pouring salt into the suffering homeowner's wounds."

HB 5279 offers a chance to halt this oppressive pattern of public policy. It simply says that those selling at a loss shouldn't have to pay conveyance taxes for the "privilege."

I say conveyance taxes because the conveyance tax in Connecticut has multiple variations or "layers." Here's how a family gets hit when selling a \$300,000 property in one of Connecticut's "targeted investment communities" with its special overlay tax:

1) The Original Town Conveyance Tax = \$330
@ \$1.10 / \$1,000

2) The 2003 Increase of \$1.40/\$1,000 = \$420

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| 3) The 2003 "Targeted Investment
Community Tax" @ \$2.50/\$1,000 | = | \$750 |
| 4) The State Conveyance Tax
@ \$5.00/\$1,000 | = | \$1,500 |

Add all those layers up, and the family must pay \$3,000 for the privilege of losing their home.

The Connecticut Association of Realtors would love to see wider conveyance tax relief provided beyond the targeted population covered by this bill. Still, in this difficult fiscal climate, we feel Legislators can make a strong statement about protecting the American Dream by enacting House Bill 5279 promptly into law.

Thank you and I'd be happy to answer any questions.



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